

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title: A RESOLUTION relating to the City Light Department; acknowledging and approving City Light’s adoption of a biennial energy conservation target for 2014-2015 and ten-year conservation potential associated with Initiative 937.

Summary of the Legislation: To comply with Initiative 937, City Light must establish and make publicly available a biennial acquisition target for cost-effective conservation and a ten-year conservation potential. This Resolution establishes a 23.68 average megawatt (aMW) conservation target for 2014-2015 and a ten-year conservation potential of 118.4 aMW.

Background: Initiative 937 was passed by Washington state voters in November, 2006 to establish renewable and energy efficiency targets for electric utilities serving more than 25,000 retail customers. In complying with RCW 19.285.040, each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible. RCW 19.285.040 (1)(a) states: “By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in its most recently published regional power plan, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent ten-year period.” And, 19.285.040 (1)(b) states: “Beginning January 2010, each qualifying utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection, and meet that target during the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation.”

City Light used the “Utility Analysis Option” outlined in WAC 194-37-070 to establish both its conservation target for 2014-2015 and its ten-year conservation potential. City Light hired Enernoc (formally Global Energy Partners) to complete a conservation potential assessment (CPA) that is consistent with the Northwest Power and Conservation Council’s methodology used for their Sixth Power Plan. This CPA has identified a total of 23.68 aMW being achievable within the City Light service territory for 2014-2015 and a total conservation potential of 118.4 aMW for the ten-year period. In mid-2014, City Light will be updating this 2013 CPA in order to establish its 2016-2017 biennial target and its ten year potential.

City Light anticipates meeting or exceeding the I-937 driven biennial acquisition targets. It is anticipated that City Light's proposed 2014 budget will be sufficient to meet the biennial acquisition targets for 2014-2015. No increase in budget levels for 2015 are expected to be necessary at this time.

This Resolution is necessary as outlined in WAC 194-37-070 section (3) (d) which states "A utility will hold a noticed public meeting, which provides an opportunity for public comment, regarding its assessment of conservation potential. The utility will adopt the ten-year potential and the two-year conservation targets by action of the utility's governing board in a public meeting. Such public meeting may be conducted separately, or as part of public meetings conducted for resource planning, budget setting, or other related processes. The public notice will indicate that the meeting agenda includes the establishment of the utility's ten-year and biennial targets."

 X **This legislation does not have any financial implications.**

 This legislation has financial implications.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

There is no direct financial impact of implementing this legislation; the adoption of this Resolution is an administrative formality designed to comply with state law. However, failing to meet the biennial conservation targets may result in an administrative penalty.

City Light's proposed 2014 budget provides the resources necessary to meet the target and it is anticipated that adequate resources will be available to meet the biennial acquisition targets for 2014-2015. City Light does not expect to propose any increase in budget levels for 2015.

b) What is the financial cost of not implementing the legislation?

City Light is required by state law to set the conservation targets as outlined in RCW 19.285.040.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None. City Light is required to set the conservation targets as outlined in RCW 19.285.040.

e) Is a public hearing required for this legislation?

Yes. Consistent with WAC 194-37-070 section (3) (d) the qualifying utility will hold a noticed public meeting, which provides an opportunity for public comment, regarding its assessment of conservation potential.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues: None.

List attachments to the fiscal note below: None.